

Mr. Chairman, Ranking Member Peterson, and distinguished members of the committee, thank you for the opportunity to discuss federal agriculture policy and the 2007 Farm Bill. It is critically important that Congress focus on the many challenges that now face our nation's growers of fruits, vegetables, and other crops. I commend you for coming to California to learn more about these issues.

Again, I am Earl Perez representing Perez Farms and affiliated companies. We are a family owned operation and grow and process a variety of crops. Our family migrated from Southern California to this valley in 1936 and has been farming since then. We are second generation farmers and sons of immigrant parents from the northern part of Spain. Our parents chose this valley because of its unique resources of land, water, and climate.

Growers currently are confronted by many pressing issues that must be addressed by Congress in the 2007 Farm Bill. As markets become globalized, as federal and state regulation of our industry increases, and as trade barriers continue to block access to foreign markets, it is increasingly difficult for growers to compete against foreign producers who are often heavily subsidized and minimally regulated.

A competitive domestic agriculture industry is necessary for the production of an abundant, affordable supply of highly nutritious crops. In addition, with all the concerns about food safety and bio-terrorism today, a secure domestic food supply is critical to our national security. Federal agriculture policy must be improved dramatically if we are to sustain an efficient and productive domestic crop industry.

It is important to note that specialty crop growers produced over \$55 billion in crops at the farm-gate value in 2004, or approximately 50% of the value of total crop production in the United States. However, only a very small portion of the resources of the USDA budget are allocated to policies and programs that address issues of concern to specialty crop growers. In the future, the allocation of federal resources aimed at addressing issues of concern to crop growers must reflect the value of their production to our economy, as well as the dietary and health needs of American consumers. California alone adds \$30 billion including all crops at the farm-gate.

As noted above, growers in California and across the nation make a large contribution to our economy. However, this economic activity is in jeopardy due to a number of disturbing trends now facing our industry. These trends include:

- Stagnant export growth due to a lack of access to foreign markets. As a result, a U.S. trade surplus in fruits and vegetables of over \$600 million in 1995 has become a trade deficit of nearly \$2.3 billion in 2005.
- Heavily subsidized foreign competition. For example, the European Union provides over \$12 billion annually in subsidies to fruit and vegetable growers.
- The loss of cost-effective crop protection tools due to federal and state laws.
- Increasing import competition from growers in nations with minimal regulation.
- Increasing pest and disease problems due to the growth of international trade.
- Increasing federal and state regulation, such as clean air and clean water restrictions.

These trends represent extremely difficult challenges because they are putting enormous downward pressure on the economic returns of farmers. The federal government has an important role to play in making sure growers have the tools needed to combat these forces and ultimately remain competitive in global markets.

As you know, the Specialty Crop Competitiveness Act was introduced in 2003 to begin addressing the trends mentioned above. The enactment of an amended version of this legislation in 2004 was a small, first step towards this objective. The support and leadership of the members of this committee on behalf of the Specialty Crop Competitiveness Act is greatly appreciated. We are highly against allowing specialty crops to be planted on acres set aside in other programs.

Much work remains to be done in the 2007 Farm Bill to address the competitive issues that confront farmers. As a member of Western Growers, I am aware that our industry has already started working on proposals for the Farm Bill. Western Growers is co-chairing the Farm Bill Steering Committee, which is working to develop a broad array of proposals aimed at improving and expanding federal programs to meet the needs of growers. The policy areas addressed by this proposal include: commodity programs; nutrition policy; expanded international market access; pest and disease exclusion; research and development; and other federal agriculture programs. Many of the provisions endorsed by the Farm Bill Steering Committee build on what was started by the Specialty Crop Competitiveness Act of 2004. The FBSC proposals are expected to be introduced as legislation in Congress later this year. It is our hope that these proposals will be enacted as part of the 2007 Farm Bill.

To conclude, California growers would greatly appreciate the opportunity to work with the members of this committee in crafting a Farm Bill that fully recognizes the unique needs of our industry, and also allocates a level of resources sufficient to sustain us in global markets. It is also important to note that Congress must act on the Farm Bill in 2007 and should not delay consideration of the legislation for any reason.

Thank you, Mr. Chairman, for this opportunity to testify before your committee.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: EARL PEREZ
2. Business Address: P.O. Box 97
Crown Landing, California
95313
3. Business Phone Number: 209-827-4701
4. Organization you represent: PEREZ FARMS
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Board Memberships
Marketing Boards, Commissions,
Advisory Committees
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
No Special Training
Experience with Ag. Business
& Commodity Groups
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:
PEREZ FARMS & AFFILIATED Co.
PRESIDENT, CHAIRMAN, TREASURER,
CHAIRMAN - CALIF. TRANSPLANTS L.L.C.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Earl Perez
Address: P.O. Box 97 Crow Landing, CA 95212
Telephone: 209-837-4701
Organization you represent (if any): Perez Farms

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you:

Signature: Earl Perez

* Rule XI, clause 1(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.